



California Fair Political Practices Commission

April 27, 1987

Judy Anne Harper
Vice President - Finance
TCS Enterprises, Inc.
3878 Old Town Avenue, Suite 202
San Diego, CA 92110

Re: Your Request for Advice
Our File No. A-87-105

Dear Ms. Harper:

You have requested advice concerning the campaign disclosure provisions of the Political Reform Act.^{1/}

QUESTIONS

1. What are the recordkeeping procedures for recording the making of non-monetary contributions by an employer that makes payments to employees for time spent providing services for political purposes. If an employer makes payments to an employee who spends less than 10 percent of his or her time providing these services, has the employer made a non-monetary contribution?

2. Has the Commission published a recordkeeping manual containing guidelines for recording expenditures?

CONCLUSIONS

1 & 2. The 1987 "Information Manual on Campaign Disclosure Provisions of the Political Reform Act," contains guidelines to assist treasurers and accountants in maintaining adequate records of receipts and expenditures (copy enclosed). Expenditures which are contributions to or payments on behalf of a candidate or committee may be listed on a ledger sheet or index card, for example, and must include the following information: (1) the date the contribution or expenditure was made; (2) the name of the candidate or committee and the office and district for which the candidate seeks nomination or election or the number or letter of

^{1/}Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Administrative Code Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Administrative Code.

the measure and the jurisdiction in which the measure is being voted upon; (3) the cumulative amount of the contribution to and expenditure on behalf of the candidate or measure during the calendar year; (4) a description of the contribution, i.e., non-monetary, monetary or loan; (5) in the case of an in-kind contribution, a description of the goods or services paid for, e.g., in the case of a payment made by an employer to an employee who provides services to a candidate or committee, the full name and address of the employee must be listed.

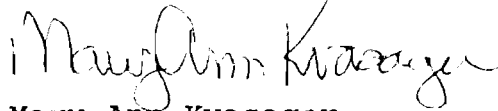
Please refer to Part IX, pages 35 through 42 of the enclosed manual for detailed guidelines concerning recordkeeping requirements.

The payment of reimbursement for personal expenses, or other compensation by an employer to an employee who spends more than 10 percent of his or her compensated time in any one month rendering services for political purposes is a contribution. The amount reportable is the pro rata portion of the gross salary, reimbursement for personal expenses or compensation attributable to the time spent on political activity. Payments to employees spending 10 percent or less of their time in any one month rendering services for political purposes is not a contribution. (Regulation 18423, copy enclosed.)

If you have additional questions concerning this matter, please contact me at (916) 322-5662.

Sincerely,

Diane M. Griffiths
General Counsel



By: Mary Ann Kvasager
Political Reform Consultant

DMG:MAK:kmt

Enclosures



TCS ENTERPRISES, INC.

F P P C
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March 30, 1987

Ms. Diane M. Griffiths
General Counsel
Fair Political Practice Commission
428 J Street, Suite 800
P.O. Box 807
Sacramento, CA 95804-0807

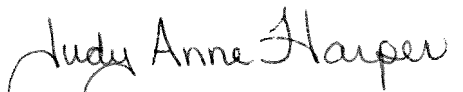
Dear Mrs. Griffiths:

I am writing to request formal written advice on a technical accounting issue. More specifically, could you please respond to the following questions:

- 1) How should in-kind contributions be reflected in our accounting records? Is donated staff time recorded as a salary expense or as a political contribution on the Company's books? Should we reflect donated time less than 10 percent in a given month as a contribution?
- 2) You publish a manual that directs contributors how to report contributions. Do you also publish a manual that instructs accountants how to record such expenditures? If so, could you please send a copy to me at the address printed below.

Should you have any questions or need further clarification of my questions, please call me. Thank you for your time.

Sincerely,


Judy Anne Harper
Vice President-Finance

JAH/jf



California Fair Political Practices Commission

April 9, 1987

Judy Anne Harper
Vice President-Finance
3878 Old Town Avenue, Suite 202
San Diego, CA 92110

Re: 87-105

Dear Ms. Harper:

Your letter requesting advice under the Political Reform Act was received on April 3, 1987 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact me directly at (916) 322-5662.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days. You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'Jeanne Pritchard', followed by a flourish.

Jeanne Pritchard
Chief

Technical Assistance and Analysis
Division

JP:plh